

Company Registration No. SC047359 (Scotland)

POINTER LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

POINTER LIMITED

COMPANY INFORMATION

Directors	Mr R A Rowan Mr R M Rowan Mrs M Rowan Mrs W Hay Mr A Y Cassells
Company number	SC047359
Registered office	65 North Wallace Street GLASGOW G4 0DT
Auditor	Johnston Carmichael LLP 227 West George Street Glasgow G2 2ND

POINTER LIMITED

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POINTER LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The Directors are pleased to present their strategic report for the year ended 30 June 2021.

Fair review of the business

The company's principal activities are the sale and service of electronic fire and security systems.

The uncertainties around Brexit and Covid have been the dominating themes of the last year. Pointer Ltd has achieved an increase in revenue, net profit before tax margin and net cash as a result of a recovery in trading volumes after the lock down in the second quarter of 2020. The results of the UK business for the year were in line with the trends prior to financial year 2019/20.

The coming year will be one of continued uncertainty. Therefore, the financial objectives for the coming year are to grow revenue cautiously, improve net profit before tax margin by simplifying internal processes and increase the net cash position.

Principal risks and uncertainties

The Directors regard the following as the principal risks and uncertainties of the business:

- Financial risks - These are managed by a proactive approach to credit control and contract terms and conditions.
- Foreign exchange - Movements are monitored on a regular basis.

Key performance indicators

The key performance indicators are as follows:

	2021	2020	Change	
	£	£	%	
Turnover		16,886,840	15,127,475	12%
Net profit before tax margin		5.93%	1.75%	238%
Net cash position		1,304,444	414,661	215%

On behalf of the board I would like to thank all my colleagues for their commitment and hard work over the last 12 months.

Mr R A Rowan
Director

27 October 2021

POINTER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their annual report and financial statements for the year ended 30 June 2021.

Principal activities

The principal activity of the company continued to be that of selling and servicing electronic security and fire systems.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £500,000. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R A Rowan
Mr R M Rowan
Mrs M Rowan
Mrs W Hay
Mr A Y Cassells

Future developments

The company has chosen in accordance with Companies Act 2006, s.414C(11) to set out the company's strategic report information required by Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has been done so in respect of future developments.

Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr R A Rowan
Director

27 October 2021

POINTER LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

POINTER LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POINTER LIMITED

Opinion

We have audited the financial statements of Pointer Limited (the 'company') for the year ended 30 June 2021 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

POINTER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF POINTER LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-resp>. This description forms part of our auditor's report.

POINTER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF POINTER LIMITED

Extent to which an audit is considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

We assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide the basis for our opinion. We planned and conducted our audit so as to obtain reasonable assurance of detecting any material misstatements in the financial statements resulting from irregularities or fraud.

All engagement team members were briefed on relevant laws and regulations and potential fraud risks at the planning stage of the audit. However, the primary responsibility for the prevention and detection of fraud rests with the directors.

Based on our understanding of the company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and UK employment legislation. We have considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements. We have also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or management bias in accounting estimates, in particular around the accounting of accrued and deferred income. Audit procedures performed by the engagement team included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims and any known or suspected instances of non-compliance with laws and regulations, including fraud.
- Enquiry of management and those charged with governance around areas where they believe fraud or irregularities are most likely to occur and discussion on their own identification and assessment of the risk of fraud.
- Inspection of the appropriateness and testing of the application of the company's revenue recognition policy.
- Inspection of legal fees incurred in the year under audit for evidence of fees incurred in respect of non-compliance with laws and regulations not reported to us by management.
- Inspection of minutes from meetings held by management and those charged with governance.
- Consultation with our internal specialists around Employment Tax, Corporate Tax and VAT matters.
- Obtaining an understanding and inspecting evidence for the assumptions and judgements made in relation to significant accounting estimates. This included carrying out a walkthrough to develop a detailed understanding of the processes and methods of such significant estimates.
- Identifying and testing journal entries, focusing on manual journal entries above our performance materiality assessment as well as journals meeting other predefined criteria such as journals containing round sum amounts that could be an indicator of management override.
- Inspection of the financial statement disclosures for compliance with applicable law and the financial reporting framework.
- Inspection of expenditure incurred in the period to ensure both that it occurred and that it has been appropriately categorised and disclosed in the accounts.

POINTER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF POINTER LIMITED

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jeffrey Marjoribanks (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

27 October 2021

Chartered Accountants
Statutory Auditor

227 West George Street
Glasgow
G2 2ND

POINTER LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
Turnover	3	16,886,840	15,127,475
Cost of sales		(11,401,055)	(10,402,419)
Gross profit		5,485,785	4,725,056
Distribution costs		(1,915,657)	(1,853,117)
Administrative expenses		(2,811,383)	(3,185,249)
Other operating income		241,029	573,640
Operating profit	4	999,774	260,330
Interest payable and similar expenses	7	913	4,875
Profit before taxation		1,000,687	265,205
Tax on profit	8	(87,515)	66,377
Profit for the financial year		913,172	331,582

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

POINTER LIMITED

BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10	182,756		129,098	
Investments	11	944,000		739,593	
		<u>1,126,756</u>		<u>868,691</u>	
Current assets					
Stocks	13	244,606		345,233	
Debtors falling due after more than one year	14	214,293		571,016	
Debtors falling due within one year	14	4,349,739		3,842,848	
Cash at bank and in hand		1,304,444		568,240	
		<u>6,113,082</u>		<u>5,327,337</u>	
Creditors: amounts falling due within one year	15	<u>(4,707,377)</u>		<u>(4,121,442)</u>	
Net current assets		<u>1,405,705</u>		<u>1,205,895</u>	
Total assets less current liabilities		<u>2,532,461</u>		<u>2,074,586</u>	
Creditors: amounts falling due after more than one year	16	(25,747)		-	
Provisions for liabilities					
Deferred tax liability	19	34,308		15,352	
		<u>(34,308)</u>		<u>(15,352)</u>	
Net assets		<u>2,472,406</u>		<u>2,059,234</u>	
Capital and reserves					
Called up share capital	22	250,000		250,000	
Profit and loss reserves	23	2,222,406		1,809,234	
Total equity		<u>2,472,406</u>		<u>2,059,234</u>	

The financial statements were approved by the board of directors and authorised for issue on 27 October 2021 and are signed on its behalf by:

Mr R A Rowan
Director

Company Registration No. SC047359

POINTER LIMITED

STATEMENT OF CHANGES IN EQUITY **FOR THE YEAR ENDED 30 JUNE 2021**

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 July 2019		250,000	1,977,652	2,227,652
Year ended 30 June 2020:				
Profit and total comprehensive income for the year		-	331,582	331,582
Dividends	9	-	(500,000)	(500,000)
Balance at 30 June 2020		250,000	1,809,234	2,059,234
Year ended 30 June 2021:				
Profit and total comprehensive income for the year		-	913,172	913,172
Dividends	9	-	(500,000)	(500,000)
Balance at 30 June 2021		250,000	2,222,406	2,472,406

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

Pointer Limited (SC047359) is a private company limited by shares incorporated and domiciled in Scotland. The registered office is 65 North Wallace Street, GLASGOW, G4 0DT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements where applicable:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Pointer Holdings Limited. These consolidated financial statements are available from its registered office, outlined below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Pointer Limited is a wholly owned subsidiary of Pointer Holdings Limited and the results of Pointer Limited are included in the consolidated financial statements of Pointer Holdings Limited which are available from the company's registered office at Unit 14 Pullan Way, Morley, Leeds, West Yorkshire, LS27 0BZ.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.2 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors have prepared detailed trading projections to the end of December 2022 based on current trading conditions and applied sensitivities to key assumptions. The sensitivities include the impact of a sustained and enforced downturn in demand arising from the current economic uncertainty.

Further, the Directors have assessed the appropriateness of the Company's existing funding facilities and continued access to those funding facilities to meet the Company's working capital requirements. The Directors are satisfied there is sufficient headroom in the Company's existing funding facilities to meet its working capital requirements and have no reason to believe sufficient funding facilities will not be available. The projections and actual results provide the Directors' with a reasonable expectation that the Company has sufficient funds in place to allow the Company to continue as a going concern for a minimum period of 12 months from the date of authorising the financial statements. In making this assessment, the Directors acknowledge that forecasts are by nature forward looking and therefore may vary from actual results.

1.3 Turnover

Turnover represents amounts receivable from the selling and servicing electronic security and fire systems. Turnover is recognised at the fair value of the consideration received or receivable and is shown net of VAT and other sales related taxes.

Turnover from installation work is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to staff costs and materials, as a proportion of total costs as well as forecasted profitability on the installation work. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Turnover from alarm maintenance and monitoring is recognised on a straight line basis over the specified period.

Turnover from alarm servicing and repair is recognised on performance of the work.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Rental assets	10% straight line
Fixtures and fittings	10%-25% straight line
Computers	10%-25% straight line
Motor vehicles	15%-33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit and loss account.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the profit and loss account.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss account. Reversals of impairment losses are also recognised in the profit and loss account.

1.8 Amounts recoverable on contracts

Amounts recoverable on contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account.

1.9 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include certain debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including certain creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

R&D tax credits

R&D tax credits are recognised at the fair value of the asset received or receivable when there is reasonable assurance that claims will be successful and the amount can be estimated reliably. R&D tax credits are recognised as part of the taxation charge or credit in the year the recognition criteria is met. R&D tax credits relating to earlier periods are included within the current tax charge or credit as adjustments in respect of prior periods.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants are recognised in accordance with the performance model. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Tangible fixed assets - NBV of tangible assets £182,756 (2020: £129,098)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions and projected disposal values.

Investments - Carrying value of investments £944,000 (2020: £739,593)

Determining whether investments held by the company are impaired requires an estimation of the value in use of the cash generating units to which the investments relate. The value in use calculation requires the company to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the present value of expected cash flows.

Revenue and profit recognition - Gross amounts due from customers £2,173,630 (2020: £1,627,889)

The policy for revenue and profit recognition on contracts is set out at note 1.3. Revenue recognition requires the directors to exercise judgements with regard to the outcome of contracts and the recoverability of contract costs. In doing so, the directors consider the progress of each individual contract by reference to the stage of completion. Profit is only recognised when the directors believe the outcome of the contract can be measured reliably.

Recoverability of trade debtors - £1,567,832 (2020: £1,063,659)

Trade debtors are stated in the accounts at their transaction price less any appropriate provision for irrecoverable amounts. In determining if a provision is required, the directors exercise judgements for each debtor, considering any specific indicators that the recoverability of the balance may be in doubt. Specific indicators include balances outstanding in excess of agreed credit terms.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021	2020
	£	£
Other significant revenue		
Grants received	183,772	564,465
Other sundry income	57,257	9,175
	<u> </u>	<u> </u>
	2021	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	16,886,840	15,127,475
	<u> </u>	<u> </u>

Grants received above are in relation to amounts received under the Government's Job Retention Scheme.

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging:		
Exchange differences	-	28,742
Depreciation of owned tangible fixed assets	65,286	51,460
Depreciation of tangible fixed assets held under finance leases	3,207	2,622
(Profit)/loss on disposal of tangible fixed assets	-	1,313
Operating lease charges	138,645	135,648
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Production	114	114
Sales and Distribution	8	10
Administration	30	37
	<u> </u>	<u> </u>
	152	161
	<u> </u>	<u> </u>

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

5 Employees (Continued)

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	5,617,794	5,886,909
Social security costs	666,582	678,016
Pension costs	460,080	476,104
	<u>6,744,456</u>	<u>7,041,029</u>

6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	573,759	570,528
Company pension contributions to defined contribution schemes	31,223	41,225
	<u>604,982</u>	<u>611,753</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2020 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	237,377	222,793
Company pension contributions to defined contribution schemes	20,138	17,939
	<u>257,515</u>	<u>240,732</u>

7 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	(1,363)	(5,325)
Interest on finance leases and hire purchase contracts	450	450
	<u>(913)</u>	<u>(4,875)</u>

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

8 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	176,869	41,014
Adjustments in respect of prior periods	-	(105,208)
Adjustments in respect of prior periods - R&D credit	(100,879)	(15,998)
	<u>75,990</u>	<u>(80,192)</u>
Total UK current tax	75,990	(80,192)
Foreign current tax on profits for the current period	-	7,431
Adjustments in foreign tax in respect of prior periods	(7,431)	-
	<u>68,559</u>	<u>(72,761)</u>
Total current tax	68,559	(72,761)
Deferred tax		
Origination and reversal of timing differences	18,956	6,384
	<u>18,956</u>	<u>6,384</u>
Total tax charge/(credit)	<u>87,515</u>	<u>(66,377)</u>

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	1,000,687	265,205
	<u>1,000,687</u>	<u>265,205</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	190,131	50,389
Tax effect of expenses that are not deductible in determining taxable profit	5,372	2,907
Adjustments in respect of prior years	(7,431)	(105,208)
Depreciation on assets not qualifying for tax allowances	288	412
Deferred tax adjustment to average rate	(8,199)	(6,310)
Remeasurement of deferred tax for changes in tax rates	8,233	-
Adjustment in respect of prior years - R&D credit	(100,879)	(15,998)
Other differences	-	7,431
	<u>87,515</u>	<u>(66,377)</u>
Taxation charge/(credit) for the year	87,515	(66,377)

9 Dividends

	2021	2020
	£	£
Interim paid	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

10 Tangible fixed assets

	Rental assets	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 2020	1,652,853	1,840,924	7,059	3,500,836
Additions	-	51,629	70,522	122,151
At 30 June 2021	1,652,853	1,892,553	77,581	3,622,987
Depreciation and impairment				
At 1 July 2020	1,652,853	1,711,989	6,896	3,371,738
Depreciation charged in the year	-	60,852	7,641	68,493
At 30 June 2021	1,652,853	1,772,841	14,537	3,440,231
Carrying amount				
At 30 June 2021	-	119,712	63,044	182,756
At 30 June 2020	-	128,935	163	129,098

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021 £	2020 £
Motor vehicles	60,931	1,967
Depreciation charge for the year in respect of leased assets	3,207	2,622

11 Fixed asset investments

	2021 £	2020 £
Investments in subsidiaries	944,000	739,593

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

11 Fixed asset investments

(Continued)

Movements in fixed asset investments

Shares in group
undertakings

£

Cost or valuation

At 1 July 2020	739,593
Additions	204,407

At 30 June 2021	944,000
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Carrying amount

At 30 June 2021	944,000
At 30 June 2020	739,593

12 Subsidiaries

Details of the company's subsidiaries at 30 June 2021 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
ARD Investments Limited	1	Non trading	Ordinary	100.00
JGE Security Systems Limited	1	Installation and maintenance of alarm systems	Ordinary	100.00
Pointer Asia Limited	2	Sales and service of electronic security and fire systems	Ordinary	49.00
Pointer Business Equipment Limited	1	Non trading	Ordinary	100.00
Pointer Digital Security Philippines Inc	3	Sale and service of electronic security and fire systems	Ordinary	40.00
Pointer LLC	4	Sale and service of electronic security and fire systems	Ordinary	90.00

Registered office addresses (all UK unless otherwise indicated):

- 65 North Wallace Street, Glasgow, G4 0DT.
- 2034/72 Italthai Tower 15th Floor, New Petchaburi Road, Bangkok, Huaykwang Bangkok 10320.
- Room 438, 4th Floor Comfoods Building, Sen. Gil J. Puyat Avenue corner Chico Rocas Street, Makati City.
- Post Box No. 3390, 112 Sultanate of Oman.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

12 Subsidiaries

(Continued)

Although only 49% owned, Pointer Asia Limited is included as a subsidiary undertaking as it meets the requirements under FRS 102 section 9.

Although only 40% owned, Pointer Digital Security Philippines Inc is included as a subsidiary undertaking as it meets the requirements under FRS 102 section 9.

During the year, Pointer Limited acquired a larger shareholding in Pointer LLC, taking its ownership to 90% of the share capital.

13 Stocks

	2021	2020
	£	£
Raw materials and consumables	244,606	345,233

14 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	1,567,832	1,063,659
Gross amounts owed by contract customers	2,173,630	1,627,889
Amounts owed by group undertakings	185,660	747,808
Other debtors	882	-
Prepayments and accrued income	421,735	403,492
	4,349,739	3,842,848
	2021	2020
Amounts falling due after more than one year:	£	£
Amounts owed by group undertakings	214,293	571,016
Total debtors	4,564,032	4,413,864

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

15 Creditors: amounts falling due within one year

		2021 £	2020 £
Bank loans and overdrafts	17	-	153,579
Obligations under finance leases	18	14,622	1,967
Trade creditors		1,566,043	832,826
Amounts due to group undertakings		94,210	109,126
Corporation tax		176,869	41,014
Other taxation and social security		616,334	884,998
Deferred income	20	981,223	899,761
Other creditors		71,767	120,958
Accruals		1,186,309	1,077,213
		<u>4,707,377</u>	<u>4,121,442</u>

16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Obligations under finance leases	18	<u>25,747</u>	<u>-</u>

17 Loans and overdrafts

	2021 £	2020 £
Bank loans and overdrafts	<u>-</u>	<u>153,579</u>
Payable within one year	<u>-</u>	<u>153,579</u>

Bank loans and overdrafts stated above are secured by a standard security over the property held within Camjah Limited, a floating charge over the whole assets of Pointer Limited and JGE Security Limited as well as a debenture from Camjah Limited and Pointer Holdings Limited.

18 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	14,622	1,967
In two to five years	25,747	-
	<u>40,369</u>	<u>1,967</u>

Hire purchase obligations are secured on the assets being financed.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	39,924	19,066
Short term timing differences	(5,616)	(3,714)
	<u>34,308</u>	<u>15,352</u>
		2021 £
Movements in the year:		
Liability at 1 July 2020		15,352
Charge to profit or loss		18,956
		<u>34,308</u>
Liability at 30 June 2021		<u>34,308</u>

20 Deferred income

	2021 £	2020 £
Other deferred income	981,223	899,761
	<u>981,223</u>	<u>899,761</u>

21 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	460,080	476,104
	<u>460,080</u>	<u>476,104</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

22 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of 5p each	5,000,000	5,000,000	250,000	250,000
	<u>5,000,000</u>	<u>5,000,000</u>	<u>250,000</u>	<u>250,000</u>

23 Profit and loss reserves

The profit and loss account reserve comprises accumulated profits and losses less any dividends paid.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

24 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	352,079	322,015
Between two and five years	318,444	248,065
	<u>670,523</u>	<u>570,080</u>

25 Related party transactions

The company has taken advantage of disclosure exemptions available under Section 33 of FRS 102 whereby it has not disclosed transaction entered into with any member of the same wholly-owned group.

26 Directors' transactions

Description	Opening balance £	Amounts repaid £	Closing balance £
Loan	70,028	(70,028)	-
	<u>70,028</u>	<u>(70,028)</u>	<u>-</u>

27 Ultimate controlling party

The parent company is Pointer Holdings Limited, a company registered in England and Wales which has its registered office at Unit 14 Pullan Way, Morley, Leeds, West Yorkshire, LS27 0BZ.

Pointer Holdings Limited is the smallest and largest group that prepares consolidated accounts and copies of the consolidated accounts may be obtained from the registered office.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.